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COUNSEL FOR PRM REALTY GROUP, LLC

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

<b>In re:</b>  <b>PRM REALTY GROUP, LLC,</b>  <b>Debtor.</b>	§ § § § §	<b>CASE NO. 10-30241-HDH-11</b>  <b>CHAPTER 11</b>
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**DEBTOR’S SUPPLEMENTAL OBJECTION TO  
SPCP GROUP, LLC’S MOTION FOR RELIEF FROM STAY**

TO THE HONORABLE HARLIN D. HALE,  
UNITED STATES BANKRUPTCY JUDGE:

PRM Realty Group, LLC (“Debtor”), debtor and debtor-in-possession in the above-referenced bankruptcy case, files this Supplemental Objection (the “Objection”) to the Motion for Relief from Stay (the “Motion”) filed by SPCP Group, LLC (“SPCP”) and would respectfully show as follows:

1. On November 4, 2009, SPCP filed a Commercial Mortgage Foreclosure Complaint (“Jackson Complaint”) in the Supreme Court of the State of New York, County of Dutchess, seeking a final judgment permitting the sale of certain real property comprised of approximately 231 acres and located in East Fishkill, New York known as Jackson Pond or Lake

Walton (the “Property”) and owned by PRM Jackson Pond Resort Residential Development Associates, LLC (“PRM Jackson”), a subsidiary of the Debtor. *See Ex. “A”, Commercial Mortgage Foreclosure Complaint attached hereto.* In the Jackson Complaint, SPCP also seeks a deficiency judgment against Debtor and a number of its affiliates.

2. In the Jackson Complaint, SPCP alleges that \$13,394,605.94 is due and owing from the Debtor to SPCP under a Guaranty of Payment executed at the time of the loan transaction between, *inter alia*, SPCP and PRM Jackson.

3. SPCP filed this Motion in the Debtor’s case presumably in order to move forward with its foreclosure action against the Property and its deficiency judgment action against the Debtor, which are currently stayed pursuant to 28 U.S.C. § 362.

4. On June 28, 2010, PRM Jackson and other affiliates of the Debtor (“Jackson Defendants”) served their Answer to the Jackson Complaint (“Answer”) upon counsel for SPCP. *See Ex. “B”, Verified Answer.* In their Answer, the Jackson Defendants deny all material allegations contained in the Jackson Complaint including the allegation that approximately \$13.4 million is due and owing from the Debtor.

5. Furthermore, the Jackson Defendants assert a number of affirmative defenses demonstrating that SPCP was barred from filing the Jackson Complaint and barred from pursuing the relief requested in its Motion.

6. First, the Jackson Defendants, through their denials, raise a fact dispute over whether SPCP has standing to file the Jackson Complaint, or this Motion, because it is not clear that SPCP even owns the mortgage through which it seeks to foreclose on the Property.

7. Second, the Jackson Defendants assert that SPCP is “enjoined from commencing or continuing” the underlying lawsuit until “further Order of the United States District Court for

the Southern District of New York.” *See Exhibit, “B”, Verified Answer, pp. [6-8] (quoting the Consent Order and Judgment)*. SPCP’s co-lender on the Property is Bridge Funding, Inc. (“Bridge Funding”), an affiliate of Fundex Capital Corporation (“Fundex”). The injunction imposed by the Southern District of New York was imposed because the Small Business Administration was appointed as the Receiver of Fundex.

8. On November 23, 2009, the Southern District of New York entered a Consent Order and Judgment that enjoins “all civil proceedings of any nature” involving Fundex or any assets of Fundex, “including subsidiaries, partnerships, and other business combinations of Fundex.” *See Ex. “B”, Verified Answer, pp. [6-8]*. Furthermore, the Consent Order and Judgment stays all cases involving Fundex’s and its subsidiaries’ assets and enjoins “all Courts having any jurisdiction thereof from taking or permitting any action until further Order” of the Southern District of New York. *See id.* The Jackson Defendants assert in their Answer that SPCP has filed the Jackson Complaint in violation of the Consent Order and Judgment because the lawsuit involves assets of Fundex and/or its subsidiaries. *See id.* For the same reasons, SPCP is stayed by the Southern District of New York from pursuing this Motion.

9. Finally, the Jackson Defendants assert that the filing of Jackson Complaint is barred by the provisions of the New York Real Property Action and Proceedings Law Section 1301. SPCP should not be granted its requested relief until and unless the Jackson Complaint is deemed to be properly filed under New York’s election of remedies provisions.

10. In sum, SPCP was not entitled to file even the Jackson Complaint for the reasons stated above. Accordingly, SPCP’s Motion must be denied.

WHEREFORE, Debtor requests this Court deny SPCP Group, LLC’s Motion in its entirety and grant Debtor such other and further relief to which it may show itself justly entitled.

Dated: July 6, 2010.

Respectfully submitted,

/s/ Melanie P. Goolsby

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**COUNSEL FOR PRM REALTY  
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**CERTIFICATE OF SERVICE**

I, the undersigned, hereby certify that, on July 6, 2010, I caused to be served the foregoing pleading upon counsel listed below via email and also via electronic notice to all parties accepting ECF service.

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ATTORNEYS FOR SPCP GROUP, LLC

/s/ Melanie P. Goolsby

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